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To: Microsoft ATR
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Subject: Microsoft Settlement

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Microsoft's competitors would have you believe that they are pure innocents that have been grossly wronged by the "evil empire". In many ways, Microsoft competitors are no better than Enron in their execution of modern business ethics. Much of the anti-trust complaint reads as if the government and judicial were brain dead. It's difficult to understand how highly educated attorney's can be so ignorant of the principles of debate, however, it's not fallacy of logic that's on their minds, but how to get maximum mileage from legal loop-holes. Here's my opinion on the entire anti-trust case:

The government's anti-trust suit has been no benefit to the consumer. It has primarily provided fuel for ambulance chasers. Anti-trust concepts, over 100 years old, are being used as a loophole to accomplish political and business goals that were not the original intention of anti-trust.

Software is neither a limited resource nor is it controlled by any single individual or company. The government has ignored the Apple, HP, Sun, et.al., which are monopolies in the computer workstation industry. Their proprietary software will only work on their proprietary hardware. As a result, huge promises have been made, but innovation has been nil, and prices are exorbitant. This has hurt businesses large and small. Consumers have been hurt by high prices being passed through in the goods and products produced by all American industries.

This is far worse than the telephone monopoly, which has not been stricken with the greedy intentions of Sun and Netscape/AOL-Time Warner. Cell phone makers have not sued traditional telephone company monopolies, instead, they have created an original new product that offers the consumer something new and that they are willing to pay over twice the cost to own.

Government tolerance of airline fare and automotive gasoline price monopolies has also hurt consumers significantly and shows a pattern of abuse that has the look and feel of corruption. The government has relented to political pressure from politicians and greedy CEO's that have prevented the passage of many updated and revised laws that could prevent them from being used with corrupt intentions.

The PC revolution has allowed anyone to own a high performance computer. The monopolistic workstation vendors have lost billions from their market that went from \$60,000 professional workstations to \$10,000 PC systems. To say that these companies have a grudge against Microsoft is a gross understatement. The consumer, the American economy and the world in general can be thankful of Microsoft's effort to innovate and advance PC

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technology. They are by no means the only company to do so, but in no way should they be destroyed by two greedy individuals and an industry that was getting rich by stealing millions from consumers instead of competing in the market place.

In contrast, Microsoft has made it possible for everyone to own and operate a computer at extremely competitive prices. It is blasphemy that Sun or other companies and state Attorney General's suggest that Microsoft has over-charged consumers. It's also interesting to note that if Microsoft had lower prices, they would have been accused of trying to run their competition out of business by flooding the market with cheap software. There simply is no safe strategy to avoid the egregious actions of those who insist on perverting anti-trust laws to their own financial and political gain.

There are many reasons why Microsoft was the choice of consumers and became dominate in the PC software market, but it is very likely primarily due to their far superior product than the gross incompetence of their competition. Consumers have been damaged and angered so much by proprietary and incompetent software that it's no wonder they have no tolerance for incompatible, proprietary systems. The majority of consumers and their businesses have used a loud and clear voice in the market place to tell Apple, Linux, BeOs, and others that they dislike their business model of high prices and proprietary design.

In drastic contrast, Microsoft's products are compatible with thousands of other successful software products on the market today. In fact, one company that claimed in a congressional hearing that Microsoft disabled their software was totally embarrassed by private independent testing labs that proved otherwise. In no way has Microsoft's competitors played fair and their current abuse of anti-trust law is a distortion of reality.

It is also interesting that the judge and companies that warned that the proposed settlement involving distribution of Microsoft software to many poor schools districts would put Apple's monopoly at a disadvantage. They are certainly not unaware that schools are under siege from American businesses that want PC's in the schools, so they don't have to re-train all the students. It costs billions of dollars that are passed through to consumers, to train, maintain and update computer software in every business in this country today. The waste would be monumental if each company had to maintain multiple computer systems and they know this to be an irrefutable fact from past experience. This is just one of the many forces that has created the Microsoft monopoly. Microsoft's only part was to provide the best possible software, but they were entrapped by anti-trust

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terrorists while trying to keep people from stealing their software.

In contrast, Netscape has tried to bully their way into a tiny segment of the operating system market by offering a product that is a niche element of the basic operating system. One of the primary functions of an operating system is to connect the central processing unit (CPU) with the internal and external hardware attached to the computer. The Internet is merely an extension of the basic computer network and nothing more.

The need for a special browser to access the Internet is only a viable marketing concept if it significantly improves that concept or offers consumers significant value. Netscape has done neither. In fact their market share is far larger than they want you to know, since many users are still using old versions. This is because their newer version 6.0 was very poorly written and there really isn't much else that a browser can do other than be a simple path to the Internet where content that neither Microsoft nor Netscape control is the desirable goal of the consumer.

It is well documented in the press that Netscape version 6.0 was such a failure and performed so poorly that it was soundly panned by the experts and most advised against upgrading. Microsoft's dominance again is shown to be due to superior competence and based on merit, while their competition had abdicated their responsibility to deliver a quality product to the consumer. Netscape's loss of market share is primarily due to their lack of innovation and their product simply does not provide any value to the consumer.

Claims that Microsoft wants to control the Internet are a good example of fundamental misconceptions and the high level of miss-information in the anti-trust suit. Web site owners are responsible for the content on their sites and there are no technical, political or legal barriers to web content other than federal and state statutes, which apply equally to everyone.

Likewise, consumers have determined what browser they prefer. The majority of consumers want nothing to do with Netscape and they have good reasons for that decision since compatibility, reliability and security are far more important than the marketing hype and illusionary benefits and features of any browser. The alleged damage and losses experienced by Netscape primarily exist in the minds of their attorneys and nowhere else; certainly not in the minds of consumers.

Whether Microsoft is a monopoly or not has nothing to do with the success of Netscape. Consumers must have an operating system for their computers

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and the CPU must communicate with internal, external and network drives (servers). The Internet is simply the extension of the basic computer system hardware. Netscape's loss of market is due to their own incompetence and nothing else.

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